

1 AN ACT in relation to a school district income tax.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 1. Short title. This Act may be cited as the  
5 School District Income Tax Act.

6 Section 5. Net income tax; referendum. The school board  
7 of any school district may, by proper resolution, cause a  
8 proposition to authorize an annual tax, measured as a  
9 percentage of net income, on the privilege of earning or  
10 receiving income (i) as a resident of the district or (ii) as  
11 a record owner of real property in the district to the extent  
12 of the income derived from that real property, to be  
13 certified to the proper election officials, who shall submit  
14 the proposition to the voters in accordance with the general  
15 election law; provided that the rate of such tax shall be an  
16 even multiple of eighths of a percent. When imposed, this  
17 tax shall be levied on every individual subject to taxation  
18 under this Act.

19 The election called for this purpose shall be governed by  
20 the general election law. If a majority of the votes cast on  
21 the proposition is in favor thereof, the school board may  
22 thereafter levy the tax as authorized, or at any lesser rate,  
23 provided such lesser rate is an even multiple of eighths of a  
24 percent. Such tax may be levied only on income earned  
25 following 120 days after certification of the results of the  
26 referendum by the proper election officials.

27 For purposes of this Act, a taxpayer's net income for a  
28 taxable year shall be as defined in Section 202 of the  
29 Illinois Income Tax Act for such year which is allocable to  
30 a district under the provisions of this Act.

31 For purposes of this Act, (i) an individual is a resident

1 of a school district for a taxable year if he or she is a  
2 resident of the State, as defined in the Illinois Income Tax  
3 Act, and maintains his or her principal place of residence  
4 within that school district on the first day of that taxable  
5 year and (ii) an individual owns real property in the  
6 district if a record owner of the property and liable for the  
7 property taxes according to the property tax assessment book  
8 or roll.

9 Section 10. Additional levies; Submission to voters.  
10 The school board of any school district may, by proper  
11 resolution, cause a proposition to increase the annual tax  
12 rate for the tax imposed under Section 5 to be submitted to  
13 the voters of the district at an election in accordance with  
14 the general election law, provided such increase results in a  
15 rate that is an even multiple of eighths of a percent. The  
16 tax may be levied only on income earned following 120 days  
17 after certification of the results of the referendum by the  
18 proper election officials.

19 The election called for such purposes shall be governed  
20 by the general election law. If a majority of the votes cast  
21 on the proposition is in favor thereof, the school board may  
22 thereafter, until such authority is revoked in like manner,  
23 levy an annual tax as authorized.

24 Section 15. Collection of tax; promulgation of rules and  
25 regulations. On or before July 1 of each year, the school  
26 board of each district imposing a tax under this Act shall  
27 prepare and certify the annual tax rate to the Department of  
28 Revenue, hereinafter referred to as the Department, which  
29 rate shall be applicable to the taxable year of any taxpayer  
30 which includes that July 1. The tax imposed under this Act  
31 shall be collected by and paid to the Department at the same  
32 time and in the same manner, and subject to the same

1 assessment procedures, penalties, and interests, as the tax  
2 imposed by the Illinois Income Tax Act, except that the tax  
3 imposed by this Act shall not be subject to any withholding  
4 or estimated payment requirements of the Illinois Income Tax  
5 Act. The Department shall forthwith pay over to the State  
6 Treasurer, ex officio, as trustee, all monies received by it  
7 under this Act to be deposited in the School District Income  
8 Tax Fund, to be held and disbursed by the Treasurer as  
9 provided in Section 20.

10 The Department shall promulgate such rules and  
11 regulations as may be necessary to implement the provisions  
12 of this Act.

13 Section 20. Distribution of tax revenue. On or before  
14 December 1 of each year, or the first following business day  
15 if December 1 falls on a Saturday, Sunday, or holiday, the  
16 Department shall certify to the Comptroller the disbursement  
17 of stated sums of money to named school districts. On any  
18 given certification date, the amount to be certified for  
19 disbursement to each school district shall be the sum of the  
20 following:

21 (a) The amount of tax collected by the Department under  
22 this Act from individuals who maintained their principal  
23 places of residence or who owned real property within the  
24 school district on the first day of their last full taxable  
25 year ended prior to the previous January 1, and

26 (b) any amount of tax which would have been certified  
27 for disbursement to the school district on a previous  
28 certification date under paragraph (a) above except for the  
29 fact that it had not been collected by that previous  
30 certification date; less the sum of the following:

31 (c) any amount of tax previously certified for  
32 disbursement to that school district but since refunded to  
33 the taxpayer, and

1 (d) an amount equal to 2% of the sum of amounts computed  
2 in paragraphs (a) and (b), which shall be retained by the  
3 Treasurer to cover the costs incurred by the Department in  
4 administering and enforcing this Act.

5 The Department at the time of each disbursement to a  
6 school district shall prepare and certify to the Comptroller  
7 the amount so retained by the State Treasurer to be paid into  
8 the General Revenue Fund of the State Treasury. Within 10  
9 days after receipt by the Comptroller of the certification of  
10 disbursement to the school districts and to the General  
11 Revenue Fund given by the Department under this Act, the  
12 Comptroller shall cause the warrants to be drawn for the  
13 respective amounts in accordance with the directions  
14 contained in the certification.

15 The board of any district receiving any of the  
16 disbursements provided for in this Section may apply those to  
17 any fund from which that board is authorized to make  
18 expenditures by law.

19 Section 25. Willful and fraudulent acts. Any person who  
20 is subject to the provisions of this Act and who willfully  
21 fails to file a return, or who willfully violates any rule or  
22 regulation of the Department for the administration or  
23 enforcement of this Act, or who willfully attempts in any  
24 other manner to evade or defeat any tax imposed by this Act  
25 or the payment thereof, shall in addition to other penalties  
26 be guilty of a Class B misdemeanor. A prosecution for any  
27 violation of this Section may be commenced within 3 years of  
28 the commission of that act.

29 Section 30. Corporations. Nothing in this Act  
30 authorizes the tax imposed on net income by school districts  
31 hereunder to be levied on any corporation except a  
32 corporation that elects to be taxed as an individual under

1 the Internal Revenue Code. If, however, the income tax  
2 authorized by this Act is imposed by a school district, the  
3 rate of ad valorem property taxes levied on the property of  
4 corporations within that district, other than corporations  
5 electing to be taxed as individuals under the Internal  
6 Revenue Code, shall be increased as provided in Section  
7 17-11 of the School Code.

8 Section 35. Property tax abatement.

9 (a) The extension of real property taxes for a school  
10 district within which the local income tax for schools  
11 authorized by this Act already has been imposed, levied, and  
12 collected shall be abated by the county clerk in which the  
13 school district is located on residential real property, farm  
14 real property defined in Section 1-60 of the Property Tax  
15 Code, and real property of a small business as defined in  
16 Section 1-75 of the Illinois Administrative Procedure Act  
17 only in the manner provided by this Section, provided that  
18 (i) if any such school district is located in more than one  
19 county the amount of real property taxes of the district to  
20 be so abated shall be apportioned by the county clerks of  
21 those counties based upon the ratio of the aggregate assessed  
22 value of the taxable property of the district in each such  
23 county and (ii) prior to any abatement under this Section the  
24 county clerk shall determine whether the amount of each tax  
25 levied by the district for a lawful school purpose and  
26 certified for extension is based on a rate at which the  
27 district making the certification is authorized by statute or  
28 referendum to levy that tax, shall disregard any excess, and  
29 shall extend the levy of that tax in accordance with the  
30 provisions of Section 18-45 of the Property Tax Code, subject  
31 to abatement as provided in this Section.

32 (b) Not later than September 1 of the first calendar  
33 year in which the tax authorized by this Act is imposed,

1 levied, and collected within a school district, the  
2 Department of Revenue shall certify to the county clerk of  
3 each county in which any part of the school district is  
4 located the estimated amount of the tax that would have been  
5 collected under this Act during the immediately preceding  
6 calendar year in that part of the district located in the  
7 county had this Act been in effect and had that tax been  
8 imposed, levied, and collected within that district during  
9 that immediately preceding calendar year at the same annual  
10 rate and for the same period of time as that tax is imposed,  
11 levied, and collected in the district during the calendar  
12 year in which the certification is made.

13 (c) During the calendar year immediately succeeding the  
14 calendar year in which the certification under subsection (b)  
15 is required to be made, in extending the real property taxes  
16 last levied by a school district for educational purposes,  
17 the county clerk shall abate that extension of the district's  
18 levy for educational purposes on the property described in  
19 subsection (a) only by an amount equal to 100% of the  
20 estimated amount that was certified to the county clerk by  
21 the Department of Revenue under the provisions of subsection  
22 (b) during the calendar year immediately preceding the  
23 calendar year in which the extension is made. In each  
24 subsequent calendar year, in extending the real property  
25 taxes levied by the school district for educational purposes  
26 during the immediately preceding calendar year, the county  
27 clerk shall abate each such extension of the district's levy  
28 for educational purposes on the property described in  
29 subsection (a) only by an amount equal to 100% of the amount  
30 disbursed to the school district under Section 30 during June  
31 of the calendar year immediately preceding the calendar year  
32 in which the extension and abatement are made.

33 Section 40. Residential rent credit. Each individual

1 taxpayer residing within a school district within which the  
2 local income tax for schools authorized by this Act has been  
3 imposed, levied, and collected is entitled to a credit, not  
4 to exceed \$500, against the tax imposed under this Act in the  
5 amount of 5% of the annual rent paid by the taxpayer during  
6 the taxable year for the residence of the taxpayer. In no  
7 event shall a credit under this Section reduce the taxpayer's  
8 liability under this Act to less than zero.

9 Section 70. The State Finance Act is amended by adding  
10 Section 5.595 as follows:

11 (30 ILCS 105/5.595 new)

12 Sec. 5.595. The School District Income Tax Fund.

13 Section 75. The Property Tax Code is amended by changing  
14 Section 18-45 as follows:

15 (35 ILCS 200/18-45)

16 Sec. 18-45. Computation of rates. Except as provided  
17 below, each county clerk shall estimate and determine the  
18 rate per cent upon the equalized assessed valuation for the  
19 levy year of the property in the county's taxing districts  
20 and special service areas, as established under Article VII  
21 of the Illinois Constitution, so that the rate will produce,  
22 within the proper divisions of that county, not less than the  
23 net amount that will be required by the county board or  
24 certified to the county clerk according to law. Prior to  
25 extension, the county clerk shall determine the maximum  
26 amount of tax authorized to be levied by any statute. If the  
27 amount of any tax certified to the county clerk for extension  
28 exceeds the maximum, the clerk shall extend only the maximum  
29 allowable levy.

30 The county clerk shall exclude from the total equalized

1 assessed valuation, whenever estimating and determining it  
2 under this Section and Sections 18-50 through 18-105, the  
3 equalized assessed valuation in the percentage which has been  
4 agreed to by each taxing district, of any property or portion  
5 thereof within an Enterprise Zone upon which an abatement of  
6 taxes was made under Section 18-170. However, if a  
7 municipality has adopted tax increment financing under  
8 Division 74.4 of Article 11 of the Illinois Municipal Code,  
9 the county clerk shall estimate and determine rates in  
10 accordance with Sections 11-74.4-7 through 11-74.4-9 of that  
11 Act. Beginning on January 1, 1998 and thereafter, the  
12 equalized assessed value of all property for the computation  
13 of the amount to be extended within a county with 3,000,000  
14 or more inhabitants shall be the sum of (i) the equalized  
15 assessed value of such property for the year immediately  
16 preceding the levy year as established by the assessment and  
17 equalization process for the year immediately prior to the  
18 levy year, (ii) the equalized assessed value of any property  
19 that qualifies as new property, as defined in Section 18-185,  
20 or annexed property, as defined in Section 18-225, for the  
21 current levy year, and (iii) any recovered tax increment  
22 value, as defined in Section 18-185, for the current levy  
23 year, less the equalized assessed value of any property that  
24 qualifies as disconnected property, as defined in Section  
25 18-225, for the current levy year.

26 The provisions of this Section and the authority of the  
27 county clerk under this Section are subject to the abatement  
28 provisions of Section 35 of the School District Income Tax  
29 Act with respect to the extension of taxes levied by a school  
30 district on residential property, farm real property as  
31 defined in Section 1-60, and real property of a small  
32 business as defined in Section 1-75 of the Illinois  
33 Administrative Procedure Act.

34 (Source: P.A. 90-320, eff. 1-1-98.)

1 Section 80. The School Code is amended by changing  
2 Sections 17-11 and 18-8.05 as follows:

3 (105 ILCS 5/17-11) (from Ch. 122, par. 17-11)

4 Sec. 17-11. Certificate of tax levy. The school board  
5 of each district shall ascertain, as near as practicable,  
6 annually, how much money must be raised by special tax for  
7 transportation purposes if any and for educational and for  
8 operations and maintenance purposes for the next ensuing  
9 year. In school districts with a population of less than  
10 500,000, these amounts shall be certified and returned to  
11 each county clerk on or before the last Tuesday in December,  
12 annually. The certificate shall be signed by the president  
13 and clerk or secretary, and may be in the following form:

14 CERTIFICATE OF TAX LEVY

15 We hereby certify that we require the sum of .....  
16 dollars, to be levied as a special tax for transportation  
17 purposes and the sum of ..... dollars to be levied as a  
18 special tax for educational purposes, and the sum .....  
19 dollars to be levied as a special tax for operations and  
20 maintenance purposes, and the sum of ..... to be levied as a  
21 special tax for a working cash fund, on the equalized  
22 assessed value of the taxable property of our district, for  
23 the year (insert year).

24 Signed on (insert date).

25 A ..... B ....., President

26 C ..... D....., Clerk (Secretary)

27 Dist. No. ...., ..... County

28 A failure by the school board to file the certificate  
29 with the county clerk in the time required shall not vitiate  
30 the assessment. A district levying a tax under the School  
31 District Income Tax Act, enacted by the 93rd General  
32 Assembly, shall together with such certificate of tax levy,  
33 also certify for property tax abatement purposes an amount

1 equal to the amount of revenue realized by the school  
2 district's tax on net income during the previous fiscal year,  
3 which amount shall be used by the county clerk in the manner  
4 provided by Section 35 of the School District Income Tax Act.  
5 This provision shall be effective for a school district  
6 beginning in the fiscal year following the fiscal year it  
7 begins levying a net income tax.

8 (Source: P.A. 91-357, eff. 7-29-99.)

9 (105 ILCS 5/18-8.05)

10 Sec. 18-8.05. Basis for apportionment of general State  
11 financial aid and supplemental general State aid to the  
12 common schools for the 1998-1999 and subsequent school years.

13 (A) General Provisions.

14 (1) The provisions of this Section apply to the  
15 1998-1999 and subsequent school years. The system of general  
16 State financial aid provided for in this Section is designed  
17 to assure that, through a combination of State financial aid  
18 and required local resources, the financial support provided  
19 each pupil in Average Daily Attendance equals or exceeds a  
20 prescribed per pupil Foundation Level. This formula approach  
21 imputes a level of per pupil Available Local Resources and  
22 provides for the basis to calculate a per pupil level of  
23 general State financial aid that, when added to Available  
24 Local Resources, equals or exceeds the Foundation Level. The  
25 amount of per pupil general State financial aid for school  
26 districts, in general, varies in inverse relation to  
27 Available Local Resources. Per pupil amounts are based upon  
28 each school district's Average Daily Attendance as that term  
29 is defined in this Section.

30 (2) In addition to general State financial aid, school  
31 districts with specified levels or concentrations of pupils  
32 from low income households are eligible to receive  
33 supplemental general State financial aid grants as provided

1 pursuant to subsection (H). The supplemental State aid grants  
2 provided for school districts under subsection (H) shall be  
3 appropriated for distribution to school districts as part of  
4 the same line item in which the general State financial aid  
5 of school districts is appropriated under this Section.

6 (3) To receive financial assistance under this Section,  
7 school districts are required to file claims with the State  
8 Board of Education, subject to the following requirements:

9 (a) Any school district which fails for any given  
10 school year to maintain school as required by law, or to  
11 maintain a recognized school is not eligible to file for  
12 such school year any claim upon the Common School Fund.  
13 In case of nonrecognition of one or more attendance  
14 centers in a school district otherwise operating  
15 recognized schools, the claim of the district shall be  
16 reduced in the proportion which the Average Daily  
17 Attendance in the attendance center or centers bear to  
18 the Average Daily Attendance in the school district. A  
19 "recognized school" means any public school which meets  
20 the standards as established for recognition by the State  
21 Board of Education. A school district or attendance  
22 center not having recognition status at the end of a  
23 school term is entitled to receive State aid payments due  
24 upon a legal claim which was filed while it was  
25 recognized.

26 (b) School district claims filed under this Section  
27 are subject to Sections 18-9, 18-10, and 18-12, except as  
28 otherwise provided in this Section.

29 (c) If a school district operates a full year  
30 school under Section 10-19.1, the general State aid to  
31 the school district shall be determined by the State  
32 Board of Education in accordance with this Section as  
33 near as may be applicable.

34 (d) (Blank).

1           (4) Except as provided in subsections (H) and (L), the  
2 board of any district receiving any of the grants provided  
3 for in this Section may apply those funds to any fund so  
4 received for which that board is authorized to make  
5 expenditures by law.

6           School districts are not required to exert a minimum  
7 Operating Tax Rate in order to qualify for assistance under  
8 this Section.

9           (5) As used in this Section the following terms, when  
10 capitalized, shall have the meaning ascribed herein:

11           (a) "Average Daily Attendance": A count of pupil  
12 attendance in school, averaged as provided for in  
13 subsection (C) and utilized in deriving per pupil  
14 financial support levels.

15           (b) "Available Local Resources": A computation of  
16 local financial support, calculated on the basis of  
17 Average Daily Attendance and derived as provided pursuant  
18 to subsection (D).

19           (c) "Corporate Personal Property Replacement  
20 Taxes": Funds paid to local school districts pursuant to  
21 "An Act in relation to the abolition of ad valorem  
22 personal property tax and the replacement of revenues  
23 lost thereby, and amending and repealing certain Acts and  
24 parts of Acts in connection therewith", certified August  
25 14, 1979, as amended (Public Act 81-1st S.S.-1).

26           (d) "Foundation Level": A prescribed level of per  
27 pupil financial support as provided for in subsection  
28 (B).

29           (e) "Operating Tax Rate": All school district  
30 property taxes extended for all purposes, except Bond and  
31 Interest, Summer School, Rent, Capital Improvement, and  
32 Vocational Education Building purposes.

33 (B) Foundation Level.

34 (1) The Foundation Level is a figure established by the

1 State representing the minimum level of per pupil financial  
2 support that should be available to provide for the basic  
3 education of each pupil in Average Daily Attendance. As set  
4 forth in this Section, each school district is assumed to  
5 exert a sufficient local taxing effort such that, in  
6 combination with the aggregate of general State financial aid  
7 provided the district, an aggregate of State and local  
8 resources are available to meet the basic education needs of  
9 pupils in the district.

10 (2) For the 1998-1999 school year, the Foundation Level  
11 of support is \$4,225. For the 1999-2000 school year, the  
12 Foundation Level of support is \$4,325. For the 2000-2001  
13 school year, the Foundation Level of support is \$4,425.

14 (3) For the 2001-2002 school year and each school year  
15 thereafter, the Foundation Level of support is \$4,560 or such  
16 greater amount as may be established by law by the General  
17 Assembly.

18 (C) Average Daily Attendance.

19 (1) For purposes of calculating general State aid  
20 pursuant to subsection (E), an Average Daily Attendance  
21 figure shall be utilized. The Average Daily Attendance  
22 figure for formula calculation purposes shall be the monthly  
23 average of the actual number of pupils in attendance of each  
24 school district, as further averaged for the best 3 months of  
25 pupil attendance for each school district. In compiling the  
26 figures for the number of pupils in attendance, school  
27 districts and the State Board of Education shall, for  
28 purposes of general State aid funding, conform attendance  
29 figures to the requirements of subsection (F).

30 (2) The Average Daily Attendance figures utilized in  
31 subsection (E) shall be the requisite attendance data for the  
32 school year immediately preceding the school year for which  
33 general State aid is being calculated or the average of the  
34 attendance data for the 3 preceding school years, whichever

1 is greater. The Average Daily Attendance figures utilized in  
2 subsection (H) shall be the requisite attendance data for the  
3 school year immediately preceding the school year for which  
4 general State aid is being calculated.

5 (D) Available Local Resources.

6 (1) For purposes of calculating general State aid  
7 pursuant to subsection (E), a representation of Available  
8 Local Resources per pupil, as that term is defined and  
9 determined in this subsection, shall be utilized. Available  
10 Local Resources per pupil shall include a calculated dollar  
11 amount representing local school district revenues from local  
12 property taxes and from Corporate Personal Property  
13 Replacement Taxes, expressed on the basis of pupils in  
14 Average Daily Attendance.

15 (2) In determining a school district's revenue from  
16 local property taxes, the State Board of Education shall  
17 utilize the equalized assessed valuation of all taxable  
18 property of each school district as of September 30 of the  
19 previous year. The equalized assessed valuation utilized  
20 shall be obtained and determined as provided in subsection  
21 (G).

22 (3) For school districts maintaining grades kindergarten  
23 through 12, local property tax revenues per pupil shall be  
24 calculated as the product of the applicable equalized  
25 assessed valuation for the district multiplied by 3.00%, and  
26 divided by the district's Average Daily Attendance figure.  
27 For school districts maintaining grades kindergarten through  
28 8, local property tax revenues per pupil shall be calculated  
29 as the product of the applicable equalized assessed valuation  
30 for the district multiplied by 2.30%, and divided by the  
31 district's Average Daily Attendance figure. For school  
32 districts maintaining grades 9 through 12, local property tax  
33 revenues per pupil shall be the applicable equalized assessed  
34 valuation of the district multiplied by 1.05%, and divided by

1 the district's Average Daily Attendance figure.

2 (4) The Corporate Personal Property Replacement Taxes  
3 paid to each school district during the calendar year 2 years  
4 before the calendar year in which a school year begins,  
5 divided by the Average Daily Attendance figure for that  
6 district, shall be added to the local property tax revenues  
7 per pupil as derived by the application of the immediately  
8 preceding paragraph (3). The sum of these per pupil figures  
9 for each school district shall constitute Available Local  
10 Resources as that term is utilized in subsection (E) in the  
11 calculation of general State aid.

12 (E) Computation of General State Aid.

13 (1) For each school year, the amount of general State  
14 aid allotted to a school district shall be computed by the  
15 State Board of Education as provided in this subsection.

16 (2) For any school district for which Available Local  
17 Resources per pupil is less than the product of 0.93 times  
18 the Foundation Level, general State aid for that district  
19 shall be calculated as an amount equal to the Foundation  
20 Level minus Available Local Resources, multiplied by the  
21 Average Daily Attendance of the school district.

22 (3) For any school district for which Available Local  
23 Resources per pupil is equal to or greater than the product  
24 of 0.93 times the Foundation Level and less than the product  
25 of 1.75 times the Foundation Level, the general State aid per  
26 pupil shall be a decimal proportion of the Foundation Level  
27 derived using a linear algorithm. Under this linear  
28 algorithm, the calculated general State aid per pupil shall  
29 decline in direct linear fashion from 0.07 times the  
30 Foundation Level for a school district with Available Local  
31 Resources equal to the product of 0.93 times the Foundation  
32 Level, to 0.05 times the Foundation Level for a school  
33 district with Available Local Resources equal to the product  
34 of 1.75 times the Foundation Level. The allocation of

1 general State aid for school districts subject to this  
2 paragraph 3 shall be the calculated general State aid per  
3 pupil figure multiplied by the Average Daily Attendance of  
4 the school district.

5 (4) For any school district for which Available Local  
6 Resources per pupil equals or exceeds the product of 1.75  
7 times the Foundation Level, the general State aid for the  
8 school district shall be calculated as the product of \$218  
9 multiplied by the Average Daily Attendance of the school  
10 district.

11 (5) The amount of general State aid allocated to a  
12 school district for the 1999-2000 school year meeting the  
13 requirements set forth in paragraph (4) of subsection (G)  
14 shall be increased by an amount equal to the general State  
15 aid that would have been received by the district for the  
16 1998-1999 school year by utilizing the Extension Limitation  
17 Equalized Assessed Valuation as calculated in paragraph (4)  
18 of subsection (G) less the general State aid allotted for the  
19 1998-1999 school year. This amount shall be deemed a one  
20 time increase, and shall not affect any future general State  
21 aid allocations.

22 (6) The operating tax rate of a district levying a net  
23 income tax under the School District Income Tax Act, enacted  
24 by the 93rd General Assembly, shall be increased, for the  
25 calculation of aid under this Section, by a rate which when  
26 applied to the equalized assessed valuation of the district  
27 would yield an amount equal to the revenue received by the  
28 district from its income tax during the current fiscal year.

29 (F) Compilation of Average Daily Attendance.

30 (1) Each school district shall, by July 1 of each year,  
31 submit to the State Board of Education, on forms prescribed  
32 by the State Board of Education, attendance figures for the  
33 school year that began in the preceding calendar year. The  
34 attendance information so transmitted shall identify the

1 average daily attendance figures for each month of the school  
2 year. Beginning with the general State aid claim form for  
3 the 2002-2003 school year, districts shall calculate Average  
4 Daily Attendance as provided in subdivisions (a), (b), and  
5 (c) of this paragraph (1).

6 (a) In districts that do not hold year-round  
7 classes, days of attendance in August shall be added to  
8 the month of September and any days of attendance in June  
9 shall be added to the month of May.

10 (b) In districts in which all buildings hold  
11 year-round classes, days of attendance in July and August  
12 shall be added to the month of September and any days of  
13 attendance in June shall be added to the month of May.

14 (c) In districts in which some buildings, but not  
15 all, hold year-round classes, for the non-year-round  
16 buildings, days of attendance in August shall be added to  
17 the month of September and any days of attendance in June  
18 shall be added to the month of May. The average daily  
19 attendance for the year-round buildings shall be computed  
20 as provided in subdivision (b) of this paragraph (1). To  
21 calculate the Average Daily Attendance for the district,  
22 the average daily attendance for the year-round buildings  
23 shall be multiplied by the days in session for the  
24 non-year-round buildings for each month and added to the  
25 monthly attendance of the non-year-round buildings.

26 Except as otherwise provided in this Section, days of  
27 attendance by pupils shall be counted only for sessions of  
28 not less than 5 clock hours of school work per day under  
29 direct supervision of: (i) teachers, or (ii) non-teaching  
30 personnel or volunteer personnel when engaging in  
31 non-teaching duties and supervising in those instances  
32 specified in subsection (a) of Section 10-22.34 and paragraph  
33 10 of Section 34-18, with pupils of legal school age and in  
34 kindergarten and grades 1 through 12.

1 Days of attendance by tuition pupils shall be accredited  
2 only to the districts that pay the tuition to a recognized  
3 school.

4 (2) Days of attendance by pupils of less than 5 clock  
5 hours of school shall be subject to the following provisions  
6 in the compilation of Average Daily Attendance.

7 (a) Pupils regularly enrolled in a public school  
8 for only a part of the school day may be counted on the  
9 basis of 1/6 day for every class hour of instruction of  
10 40 minutes or more attended pursuant to such enrollment,  
11 unless a pupil is enrolled in a block-schedule format of  
12 80 minutes or more of instruction, in which case the  
13 pupil may be counted on the basis of the proportion of  
14 minutes of school work completed each day to the minimum  
15 number of minutes that school work is required to be held  
16 that day.

17 (b) Days of attendance may be less than 5 clock  
18 hours on the opening and closing of the school term, and  
19 upon the first day of pupil attendance, if preceded by a  
20 day or days utilized as an institute or teachers'  
21 workshop.

22 (c) A session of 4 or more clock hours may be  
23 counted as a day of attendance upon certification by the  
24 regional superintendent, and approved by the State  
25 Superintendent of Education to the extent that the  
26 district has been forced to use daily multiple sessions.

27 (d) A session of 3 or more clock hours may be  
28 counted as a day of attendance (1) when the remainder of  
29 the school day or at least 2 hours in the evening of that  
30 day is utilized for an in-service training program for  
31 teachers, up to a maximum of 5 days per school year of  
32 which a maximum of 4 days of such 5 days may be used for  
33 parent-teacher conferences, provided a district conducts  
34 an in-service training program for teachers which has

1       been approved by the State Superintendent of Education;  
2       or, in lieu of 4 such days, 2 full days may be used, in  
3       which event each such day may be counted as a day of  
4       attendance; and (2) when days in addition to those  
5       provided in item (1) are scheduled by a school pursuant  
6       to its school improvement plan adopted under Article 34  
7       or its revised or amended school improvement plan adopted  
8       under Article 2, provided that (i) such sessions of 3 or  
9       more clock hours are scheduled to occur at regular  
10      intervals, (ii) the remainder of the school days in which  
11      such sessions occur are utilized for in-service training  
12      programs or other staff development activities for  
13      teachers, and (iii) a sufficient number of minutes of  
14      school work under the direct supervision of teachers are  
15      added to the school days between such regularly scheduled  
16      sessions to accumulate not less than the number of  
17      minutes by which such sessions of 3 or more clock hours  
18      fall short of 5 clock hours. Any full days used for the  
19      purposes of this paragraph shall not be considered for  
20      computing average daily attendance. Days scheduled for  
21      in-service training programs, staff development  
22      activities, or parent-teacher conferences may be  
23      scheduled separately for different grade levels and  
24      different attendance centers of the district.

25           (e) A session of not less than one clock hour of  
26      teaching hospitalized or homebound pupils on-site or by  
27      telephone to the classroom may be counted as 1/2 day of  
28      attendance, however these pupils must receive 4 or more  
29      clock hours of instruction to be counted for a full day  
30      of attendance.

31           (f) A session of at least 4 clock hours may be  
32      counted as a day of attendance for first grade pupils,  
33      and pupils in full day kindergartens, and a session of 2  
34      or more hours may be counted as 1/2 day of attendance by

1 pupils in kindergartens which provide only 1/2 day of  
2 attendance.

3 (g) For children with disabilities who are below  
4 the age of 6 years and who cannot attend 2 or more clock  
5 hours because of their disability or immaturity, a  
6 session of not less than one clock hour may be counted as  
7 1/2 day of attendance; however for such children whose  
8 educational needs so require a session of 4 or more clock  
9 hours may be counted as a full day of attendance.

10 (h) A recognized kindergarten which provides for  
11 only 1/2 day of attendance by each pupil shall not have  
12 more than 1/2 day of attendance counted in any one day.  
13 However, kindergartens may count 2 1/2 days of attendance  
14 in any 5 consecutive school days. When a pupil attends  
15 such a kindergarten for 2 half days on any one school  
16 day, the pupil shall have the following day as a day  
17 absent from school, unless the school district obtains  
18 permission in writing from the State Superintendent of  
19 Education. Attendance at kindergartens which provide for  
20 a full day of attendance by each pupil shall be counted  
21 the same as attendance by first grade pupils. Only the  
22 first year of attendance in one kindergarten shall be  
23 counted, except in case of children who entered the  
24 kindergarten in their fifth year whose educational  
25 development requires a second year of kindergarten as  
26 determined under the rules and regulations of the State  
27 Board of Education.

28 (G) Equalized Assessed Valuation Data.

29 (1) For purposes of the calculation of Available Local  
30 Resources required pursuant to subsection (D), the State  
31 Board of Education shall secure from the Department of  
32 Revenue the value as equalized or assessed by the Department  
33 of Revenue of all taxable property of every school district,  
34 together with (i) the applicable tax rate used in extending

1 taxes for the funds of the district as of September 30 of the  
2 previous year and (ii) the limiting rate for all school  
3 districts subject to property tax extension limitations as  
4 imposed under the Property Tax Extension Limitation Law.

5 This equalized assessed valuation, as adjusted further by  
6 the requirements of this subsection, shall be utilized in the  
7 calculation of Available Local Resources.

8 (2) The equalized assessed valuation in paragraph (1)  
9 shall be adjusted, as applicable, in the following manner:

10 (a) For the purposes of calculating State aid under  
11 this Section, with respect to any part of a school  
12 district within a redevelopment project area in respect  
13 to which a municipality has adopted tax increment  
14 allocation financing pursuant to the Tax Increment  
15 Allocation Redevelopment Act, Sections 11-74.4-1 through  
16 11-74.4-11 of the Illinois Municipal Code or the  
17 Industrial Jobs Recovery Law, Sections 11-74.6-1 through  
18 11-74.6-50 of the Illinois Municipal Code, no part of the  
19 current equalized assessed valuation of real property  
20 located in any such project area which is attributable to  
21 an increase above the total initial equalized assessed  
22 valuation of such property shall be used as part of the  
23 equalized assessed valuation of the district, until such  
24 time as all redevelopment project costs have been paid,  
25 as provided in Section 11-74.4-8 of the Tax Increment  
26 Allocation Redevelopment Act or in Section 11-74.6-35 of  
27 the Industrial Jobs Recovery Law. For the purpose of the  
28 equalized assessed valuation of the district, the total  
29 initial equalized assessed valuation or the current  
30 equalized assessed valuation, whichever is lower, shall  
31 be used until such time as all redevelopment project  
32 costs have been paid.

33 (b) The real property equalized assessed valuation  
34 for a school district shall be adjusted by subtracting

1 from the real property value as equalized or assessed by  
2 the Department of Revenue for the district an amount  
3 computed by dividing the amount of any abatement of taxes  
4 under Section 18-170 of the Property Tax Code by 3.00%  
5 for a district maintaining grades kindergarten through  
6 12, by 2.30% for a district maintaining grades  
7 kindergarten through 8, or by 1.05% for a district  
8 maintaining grades 9 through 12 and adjusted by an amount  
9 computed by dividing the amount of any abatement of taxes  
10 under subsection (a) of Section 18-165 of the Property  
11 Tax Code by the same percentage rates for district type  
12 as specified in this subparagraph (b).

13 (3) For the 1999-2000 school year and each school year  
14 thereafter, if a school district meets all of the criteria of  
15 this subsection (G)(3), the school district's Available Local  
16 Resources shall be calculated under subsection (D) using the  
17 district's Extension Limitation Equalized Assessed Valuation  
18 as calculated under this subsection (G)(3).

19 For purposes of this subsection (G)(3) the following  
20 terms shall have the following meanings:

21 "Budget Year": The school year for which general  
22 State aid is calculated and awarded under subsection (E).

23 "Base Tax Year": The property tax levy year used to  
24 calculate the Budget Year allocation of general State  
25 aid.

26 "Preceding Tax Year": The property tax levy year  
27 immediately preceding the Base Tax Year.

28 "Base Tax Year's Tax Extension": The product of the  
29 equalized assessed valuation utilized by the County Clerk  
30 in the Base Tax Year multiplied by the limiting rate as  
31 calculated by the County Clerk and defined in the  
32 Property Tax Extension Limitation Law.

33 "Preceding Tax Year's Tax Extension": The product of  
34 the equalized assessed valuation utilized by the County

1 Clerk in the Preceding Tax Year multiplied by the  
2 Operating Tax Rate as defined in subsection (A).

3 "Extension Limitation Ratio": A numerical ratio,  
4 certified by the County Clerk, in which the numerator is  
5 the Base Tax Year's Tax Extension and the denominator is  
6 the Preceding Tax Year's Tax Extension.

7 "Operating Tax Rate": The operating tax rate as  
8 defined in subsection (A).

9 If a school district is subject to property tax extension  
10 limitations as imposed under the Property Tax Extension  
11 Limitation Law, the State Board of Education shall calculate  
12 the Extension Limitation Equalized Assessed Valuation of that  
13 district. For the 1999-2000 school year, the Extension  
14 Limitation Equalized Assessed Valuation of a school district  
15 as calculated by the State Board of Education shall be equal  
16 to the product of the district's 1996 Equalized Assessed  
17 Valuation and the district's Extension Limitation Ratio. For  
18 the 2000-2001 school year and each school year thereafter,  
19 the Extension Limitation Equalized Assessed Valuation of a  
20 school district as calculated by the State Board of Education  
21 shall be equal to the product of the Equalized Assessed  
22 Valuation last used in the calculation of general State aid  
23 and the district's Extension Limitation Ratio. If the  
24 Extension Limitation Equalized Assessed Valuation of a school  
25 district as calculated under this subsection (G)(3) is less  
26 than the district's equalized assessed valuation as  
27 calculated pursuant to subsections (G)(1) and (G)(2), then  
28 for purposes of calculating the district's general State aid  
29 for the Budget Year pursuant to subsection (E), that  
30 Extension Limitation Equalized Assessed Valuation shall be  
31 utilized to calculate the district's Available Local  
32 Resources under subsection (D).

33 (4) For the purposes of calculating general State aid  
34 for the 1999-2000 school year only, if a school district

1 experienced a triennial reassessment on the equalized  
2 assessed valuation used in calculating its general State  
3 financial aid apportionment for the 1998-1999 school year,  
4 the State Board of Education shall calculate the Extension  
5 Limitation Equalized Assessed Valuation that would have been  
6 used to calculate the district's 1998-1999 general State aid.  
7 This amount shall equal the product of the equalized assessed  
8 valuation used to calculate general State aid for the  
9 1997-1998 school year and the district's Extension Limitation  
10 Ratio. If the Extension Limitation Equalized Assessed  
11 Valuation of the school district as calculated under this  
12 paragraph (4) is less than the district's equalized assessed  
13 valuation utilized in calculating the district's 1998-1999  
14 general State aid allocation, then for purposes of  
15 calculating the district's general State aid pursuant to  
16 paragraph (5) of subsection (E), that Extension Limitation  
17 Equalized Assessed Valuation shall be utilized to calculate  
18 the district's Available Local Resources.

19 (5) For school districts having a majority of their  
20 equalized assessed valuation in any county except Cook,  
21 DuPage, Kane, Lake, McHenry, or Will, if the amount of  
22 general State aid allocated to the school district for the  
23 1999-2000 school year under the provisions of subsection (E),  
24 (H), and (J) of this Section is less than the amount of  
25 general State aid allocated to the district for the 1998-1999  
26 school year under these subsections, then the general State  
27 aid of the district for the 1999-2000 school year only shall  
28 be increased by the difference between these amounts. The  
29 total payments made under this paragraph (5) shall not exceed  
30 \$14,000,000. Claims shall be prorated if they exceed  
31 \$14,000,000.

32 (H) Supplemental General State Aid.

33 (1) In addition to the general State aid a school  
34 district is allotted pursuant to subsection (E), qualifying

1 school districts shall receive a grant, paid in conjunction  
2 with a district's payments of general State aid, for  
3 supplemental general State aid based upon the concentration  
4 level of children from low-income households within the  
5 school district. Supplemental State aid grants provided for  
6 school districts under this subsection shall be appropriated  
7 for distribution to school districts as part of the same line  
8 item in which the general State financial aid of school  
9 districts is appropriated under this Section. For purposes of  
10 this subsection, the term "Low-Income Concentration Level"  
11 shall be the low-income eligible pupil count from the most  
12 recently available federal census divided by the Average  
13 Daily Attendance of the school district. If, however, (i) the  
14 percentage decrease from the 2 most recent federal censuses  
15 in the low-income eligible pupil count of a high school  
16 district with fewer than 400 students exceeds by 75% or more  
17 the percentage change in the total low-income eligible pupil  
18 count of contiguous elementary school districts, whose  
19 boundaries are coterminous with the high school district, or  
20 (ii) a high school district within 2 counties and serving 5  
21 elementary school districts, whose boundaries are coterminous  
22 with the high school district, has a percentage decrease from  
23 the 2 most recent federal censuses in the low-income eligible  
24 pupil count and there is a percentage increase in the total  
25 low-income eligible pupil count of a majority of the  
26 elementary school districts in excess of 50% from the 2 most  
27 recent federal censuses, then the high school district's  
28 low-income eligible pupil count from the earlier federal  
29 census shall be the number used as the low-income eligible  
30 pupil count for the high school district, for purposes of  
31 this subsection (H). The changes made to this paragraph (1)  
32 by Public Act 92-28 shall apply to supplemental general State  
33 aid grants paid in fiscal year 1999 and in each fiscal year  
34 thereafter and to any State aid payments made in fiscal year

1 1994 through fiscal year 1998 pursuant to subsection 1(n) of  
2 Section 18-8 of this Code (which was repealed on July 1,  
3 1998), and any high school district that is affected by  
4 Public Act 92-28 is entitled to a recomputation of its  
5 supplemental general State aid grant or State aid paid in any  
6 of those fiscal years. This recomputation shall not be  
7 affected by any other funding.

8 (2) Supplemental general State aid pursuant to this  
9 subsection (H) shall be provided as follows for the  
10 1998-1999, 1999-2000, and 2000-2001 school years only:

11 (a) For any school district with a Low Income  
12 Concentration Level of at least 20% and less than 35%,  
13 the grant for any school year shall be \$800 multiplied by  
14 the low income eligible pupil count.

15 (b) For any school district with a Low Income  
16 Concentration Level of at least 35% and less than 50%,  
17 the grant for the 1998-1999 school year shall be \$1,100  
18 multiplied by the low income eligible pupil count.

19 (c) For any school district with a Low Income  
20 Concentration Level of at least 50% and less than 60%,  
21 the grant for the 1998-99 school year shall be \$1,500  
22 multiplied by the low income eligible pupil count.

23 (d) For any school district with a Low Income  
24 Concentration Level of 60% or more, the grant for the  
25 1998-99 school year shall be \$1,900 multiplied by the low  
26 income eligible pupil count.

27 (e) For the 1999-2000 school year, the per pupil  
28 amount specified in subparagraphs (b), (c), and (d)  
29 immediately above shall be increased to \$1,243, \$1,600,  
30 and \$2,000, respectively.

31 (f) For the 2000-2001 school year, the per pupil  
32 amounts specified in subparagraphs (b), (c), and (d)  
33 immediately above shall be \$1,273, \$1,640, and \$2,050,  
34 respectively.

1           (2.5) Supplemental general State aid pursuant to this  
2 subsection (H) shall be provided as follows for the 2002-2003  
3 school year and each school year thereafter:

4           (a) For any school district with a Low Income  
5 Concentration Level of less than 10%, the grant for each  
6 school year shall be \$355 multiplied by the low income  
7 eligible pupil count.

8           (b) For any school district with a Low Income  
9 Concentration Level of at least 10% and less than 20%,  
10 the grant for each school year shall be \$675 multiplied  
11 by the low income eligible pupil count.

12           (c) For any school district with a Low Income  
13 Concentration Level of at least 20% and less than 35%,  
14 the grant for each school year shall be \$1,330 multiplied  
15 by the low income eligible pupil count.

16           (d) For any school district with a Low Income  
17 Concentration Level of at least 35% and less than 50%,  
18 the grant for each school year shall be \$1,362 multiplied  
19 by the low income eligible pupil count.

20           (e) For any school district with a Low Income  
21 Concentration Level of at least 50% and less than 60%,  
22 the grant for each school year shall be \$1,680 multiplied  
23 by the low income eligible pupil count.

24           (f) For any school district with a Low Income  
25 Concentration Level of 60% or more, the grant for each  
26 school year shall be \$2,080 multiplied by the low income  
27 eligible pupil count.

28           (3) School districts with an Average Daily Attendance of  
29 more than 1,000 and less than 50,000 that qualify for  
30 supplemental general State aid pursuant to this subsection  
31 shall submit a plan to the State Board of Education prior to  
32 October 30 of each year for the use of the funds resulting  
33 from this grant of supplemental general State aid for the  
34 improvement of instruction in which priority is given to

1 meeting the education needs of disadvantaged children. Such  
2 plan shall be submitted in accordance with rules and  
3 regulations promulgated by the State Board of Education.

4 (4) School districts with an Average Daily Attendance of  
5 50,000 or more that qualify for supplemental general State  
6 aid pursuant to this subsection shall be required to  
7 distribute from funds available pursuant to this Section, no  
8 less than \$261,000,000 in accordance with the following  
9 requirements:

10 (a) The required amounts shall be distributed to  
11 the attendance centers within the district in proportion  
12 to the number of pupils enrolled at each attendance  
13 center who are eligible to receive free or reduced-price  
14 lunches or breakfasts under the federal Child Nutrition  
15 Act of 1966 and under the National School Lunch Act  
16 during the immediately preceding school year.

17 (b) The distribution of these portions of  
18 supplemental and general State aid among attendance  
19 centers according to these requirements shall not be  
20 compensated for or contravened by adjustments of the  
21 total of other funds appropriated to any attendance  
22 centers, and the Board of Education shall utilize funding  
23 from one or several sources in order to fully implement  
24 this provision annually prior to the opening of school.

25 (c) Each attendance center shall be provided by the  
26 school district a distribution of noncategorical funds  
27 and other categorical funds to which an attendance center  
28 is entitled under law in order that the general State aid  
29 and supplemental general State aid provided by  
30 application of this subsection supplements rather than  
31 supplants the noncategorical funds and other categorical  
32 funds provided by the school district to the attendance  
33 centers.

34 (d) Any funds made available under this subsection

1 that by reason of the provisions of this subsection are  
2 not required to be allocated and provided to attendance  
3 centers may be used and appropriated by the board of the  
4 district for any lawful school purpose.

5 (e) Funds received by an attendance center pursuant  
6 to this subsection shall be used by the attendance center  
7 at the discretion of the principal and local school  
8 council for programs to improve educational opportunities  
9 at qualifying schools through the following programs and  
10 services: early childhood education, reduced class size  
11 or improved adult to student classroom ratio, enrichment  
12 programs, remedial assistance, attendance improvement,  
13 and other educationally beneficial expenditures which  
14 supplement the regular and basic programs as determined  
15 by the State Board of Education. Funds provided shall not  
16 be expended for any political or lobbying purposes as  
17 defined by board rule.

18 (f) Each district subject to the provisions of this  
19 subdivision (H)(4) shall submit an acceptable plan to  
20 meet the educational needs of disadvantaged children, in  
21 compliance with the requirements of this paragraph, to  
22 the State Board of Education prior to July 15 of each  
23 year. This plan shall be consistent with the decisions of  
24 local school councils concerning the school expenditure  
25 plans developed in accordance with part 4 of Section  
26 34-2.3. The State Board shall approve or reject the plan  
27 within 60 days after its submission. If the plan is  
28 rejected, the district shall give written notice of  
29 intent to modify the plan within 15 days of the  
30 notification of rejection and then submit a modified plan  
31 within 30 days after the date of the written notice of  
32 intent to modify. Districts may amend approved plans  
33 pursuant to rules promulgated by the State Board of  
34 Education.

1           Upon notification by the State Board of Education  
2 that the district has not submitted a plan prior to July  
3 15 or a modified plan within the time period specified  
4 herein, the State aid funds affected by that plan or  
5 modified plan shall be withheld by the State Board of  
6 Education until a plan or modified plan is submitted.

7           If the district fails to distribute State aid to  
8 attendance centers in accordance with an approved plan,  
9 the plan for the following year shall allocate funds, in  
10 addition to the funds otherwise required by this  
11 subsection, to those attendance centers which were  
12 underfunded during the previous year in amounts equal to  
13 such underfunding.

14           For purposes of determining compliance with this  
15 subsection in relation to the requirements of attendance  
16 center funding, each district subject to the provisions  
17 of this subsection shall submit as a separate document by  
18 December 1 of each year a report of expenditure data for  
19 the prior year in addition to any modification of its  
20 current plan. If it is determined that there has been a  
21 failure to comply with the expenditure provisions of this  
22 subsection regarding contravention or supplanting, the  
23 State Superintendent of Education shall, within 60 days  
24 of receipt of the report, notify the district and any  
25 affected local school council. The district shall within  
26 45 days of receipt of that notification inform the State  
27 Superintendent of Education of the remedial or corrective  
28 action to be taken, whether by amendment of the current  
29 plan, if feasible, or by adjustment in the plan for the  
30 following year. Failure to provide the expenditure  
31 report or the notification of remedial or corrective  
32 action in a timely manner shall result in a withholding  
33 of the affected funds.

34           The State Board of Education shall promulgate rules

1 and regulations to implement the provisions of this  
2 subsection. No funds shall be released under this  
3 subdivision (H)(4) to any district that has not submitted  
4 a plan that has been approved by the State Board of  
5 Education.

6 (I) General State Aid for Newly Configured School Districts.

7 (1) For a new school district formed by combining  
8 property included totally within 2 or more previously  
9 existing school districts, for its first year of existence  
10 the general State aid and supplemental general State aid  
11 calculated under this Section shall be computed for the new  
12 district and for the previously existing districts for which  
13 property is totally included within the new district. If the  
14 computation on the basis of the previously existing districts  
15 is greater, a supplementary payment equal to the difference  
16 shall be made for the first 4 years of existence of the new  
17 district.

18 (2) For a school district which annexes all of the  
19 territory of one or more entire other school districts, for  
20 the first year during which the change of boundaries  
21 attributable to such annexation becomes effective for all  
22 purposes as determined under Section 7-9 or 7A-8, the general  
23 State aid and supplemental general State aid calculated under  
24 this Section shall be computed for the annexing district as  
25 constituted after the annexation and for the annexing and  
26 each annexed district as constituted prior to the annexation;  
27 and if the computation on the basis of the annexing and  
28 annexed districts as constituted prior to the annexation is  
29 greater, a supplementary payment equal to the difference  
30 shall be made for the first 4 years of existence of the  
31 annexing school district as constituted upon such annexation.

32 (3) For 2 or more school districts which annex all of  
33 the territory of one or more entire other school districts,  
34 and for 2 or more community unit districts which result upon

1 the division (pursuant to petition under Section 11A-2) of  
2 one or more other unit school districts into 2 or more parts  
3 and which together include all of the parts into which such  
4 other unit school district or districts are so divided, for  
5 the first year during which the change of boundaries  
6 attributable to such annexation or division becomes effective  
7 for all purposes as determined under Section 7-9 or 11A-10,  
8 as the case may be, the general State aid and supplemental  
9 general State aid calculated under this Section shall be  
10 computed for each annexing or resulting district as  
11 constituted after the annexation or division and for each  
12 annexing and annexed district, or for each resulting and  
13 divided district, as constituted prior to the annexation or  
14 division; and if the aggregate of the general State aid and  
15 supplemental general State aid as so computed for the  
16 annexing or resulting districts as constituted after the  
17 annexation or division is less than the aggregate of the  
18 general State aid and supplemental general State aid as so  
19 computed for the annexing and annexed districts, or for the  
20 resulting and divided districts, as constituted prior to the  
21 annexation or division, then a supplementary payment equal to  
22 the difference shall be made and allocated between or among  
23 the annexing or resulting districts, as constituted upon such  
24 annexation or division, for the first 4 years of their  
25 existence. The total difference payment shall be allocated  
26 between or among the annexing or resulting districts in the  
27 same ratio as the pupil enrollment from that portion of the  
28 annexed or divided district or districts which is annexed to  
29 or included in each such annexing or resulting district bears  
30 to the total pupil enrollment from the entire annexed or  
31 divided district or districts, as such pupil enrollment is  
32 determined for the school year last ending prior to the date  
33 when the change of boundaries attributable to the annexation  
34 or division becomes effective for all purposes. The amount

1 of the total difference payment and the amount thereof to be  
2 allocated to the annexing or resulting districts shall be  
3 computed by the State Board of Education on the basis of  
4 pupil enrollment and other data which shall be certified to  
5 the State Board of Education, on forms which it shall provide  
6 for that purpose, by the regional superintendent of schools  
7 for each educational service region in which the annexing and  
8 annexed districts, or resulting and divided districts are  
9 located.

10 (3.5) Claims for financial assistance under this  
11 subsection (I) shall not be recomputed except as expressly  
12 provided under this Section.

13 (4) Any supplementary payment made under this subsection  
14 (I) shall be treated as separate from all other payments made  
15 pursuant to this Section.

16 (J) Supplementary Grants in Aid.

17 (1) Notwithstanding any other provisions of this  
18 Section, the amount of the aggregate general State aid in  
19 combination with supplemental general State aid under this  
20 Section for which each school district is eligible shall be  
21 no less than the amount of the aggregate general State aid  
22 entitlement that was received by the district under Section  
23 18-8 (exclusive of amounts received under subsections 5(p)  
24 and 5(p-5) of that Section) for the 1997-98 school year,  
25 pursuant to the provisions of that Section as it was then in  
26 effect. If a school district qualifies to receive a  
27 supplementary payment made under this subsection (J), the  
28 amount of the aggregate general State aid in combination with  
29 supplemental general State aid under this Section which that  
30 district is eligible to receive for each school year shall be  
31 no less than the amount of the aggregate general State aid  
32 entitlement that was received by the district under Section  
33 18-8 (exclusive of amounts received under subsections 5(p)  
34 and 5(p-5) of that Section) for the 1997-1998 school year,

1 pursuant to the provisions of that Section as it was then in  
2 effect.

3 (2) If, as provided in paragraph (1) of this subsection  
4 (J), a school district is to receive aggregate general State  
5 aid in combination with supplemental general State aid under  
6 this Section for the 1998-99 school year and any subsequent  
7 school year that in any such school year is less than the  
8 amount of the aggregate general State aid entitlement that  
9 the district received for the 1997-98 school year, the school  
10 district shall also receive, from a separate appropriation  
11 made for purposes of this subsection (J), a supplementary  
12 payment that is equal to the amount of the difference in the  
13 aggregate State aid figures as described in paragraph (1).

14 (3) (Blank).

15 (K) Grants to Laboratory and Alternative Schools.

16 In calculating the amount to be paid to the governing  
17 board of a public university that operates a laboratory  
18 school under this Section or to any alternative school that  
19 is operated by a regional superintendent of schools, the  
20 State Board of Education shall require by rule such reporting  
21 requirements as it deems necessary.

22 As used in this Section, "laboratory school" means a  
23 public school which is created and operated by a public  
24 university and approved by the State Board of Education. The  
25 governing board of a public university which receives funds  
26 from the State Board under this subsection (K) may not  
27 increase the number of students enrolled in its laboratory  
28 school from a single district, if that district is already  
29 sending 50 or more students, except under a mutual agreement  
30 between the school board of a student's district of residence  
31 and the university which operates the laboratory school. A  
32 laboratory school may not have more than 1,000 students,  
33 excluding students with disabilities in a special education  
34 program.

1           As used in this Section, "alternative school" means a  
2 public school which is created and operated by a Regional  
3 Superintendent of Schools and approved by the State Board of  
4 Education. Such alternative schools may offer courses of  
5 instruction for which credit is given in regular school  
6 programs, courses to prepare students for the high school  
7 equivalency testing program or vocational and occupational  
8 training. A regional superintendent of schools may contract  
9 with a school district or a public community college district  
10 to operate an alternative school. An alternative school  
11 serving more than one educational service region may be  
12 established by the regional superintendents of schools of the  
13 affected educational service regions. An alternative school  
14 serving more than one educational service region may be  
15 operated under such terms as the regional superintendents of  
16 schools of those educational service regions may agree.

17           Each laboratory and alternative school shall file, on  
18 forms provided by the State Superintendent of Education, an  
19 annual State aid claim which states the Average Daily  
20 Attendance of the school's students by month. The best 3  
21 months' Average Daily Attendance shall be computed for each  
22 school. The general State aid entitlement shall be computed  
23 by multiplying the applicable Average Daily Attendance by the  
24 Foundation Level as determined under this Section.

25           (L) Payments, Additional Grants in Aid and Other  
26 Requirements.

27           (1) For a school district operating under the financial  
28 supervision of an Authority created under Article 34A, the  
29 general State aid otherwise payable to that district under  
30 this Section, but not the supplemental general State aid,  
31 shall be reduced by an amount equal to the budget for the  
32 operations of the Authority as certified by the Authority to  
33 the State Board of Education, and an amount equal to such  
34 reduction shall be paid to the Authority created for such

1 district for its operating expenses in the manner provided in  
2 Section 18-11. The remainder of general State school aid for  
3 any such district shall be paid in accordance with Article  
4 34A when that Article provides for a disposition other than  
5 that provided by this Article.

6 (2) (Blank).

7 (3) Summer school. Summer school payments shall be made  
8 as provided in Section 18-4.3.

9 (M) Education Funding Advisory Board.

10 The Education Funding Advisory Board, hereinafter in this  
11 subsection (M) referred to as the "Board", is hereby created.  
12 The Board shall consist of 5 members who are appointed by the  
13 Governor, by and with the advice and consent of the Senate.  
14 The members appointed shall include representatives of  
15 education, business, and the general public. One of the  
16 members so appointed shall be designated by the Governor at  
17 the time the appointment is made as the chairperson of the  
18 Board. The initial members of the Board may be appointed any  
19 time after the effective date of this amendatory Act of 1997.  
20 The regular term of each member of the Board shall be for 4  
21 years from the third Monday of January of the year in which  
22 the term of the member's appointment is to commence, except  
23 that of the 5 initial members appointed to serve on the  
24 Board, the member who is appointed as the chairperson shall  
25 serve for a term that commences on the date of his or her  
26 appointment and expires on the third Monday of January, 2002,  
27 and the remaining 4 members, by lots drawn at the first  
28 meeting of the Board that is held after all 5 members are  
29 appointed, shall determine 2 of their number to serve for  
30 terms that commence on the date of their respective  
31 appointments and expire on the third Monday of January, 2001,  
32 and 2 of their number to serve for terms that commence on the  
33 date of their respective appointments and expire on the third  
34 Monday of January, 2000. All members appointed to serve on

1 the Board shall serve until their respective successors are  
2 appointed and confirmed. Vacancies shall be filled in the  
3 same manner as original appointments. If a vacancy in  
4 membership occurs at a time when the Senate is not in  
5 session, the Governor shall make a temporary appointment  
6 until the next meeting of the Senate, when he or she shall  
7 appoint, by and with the advice and consent of the Senate, a  
8 person to fill that membership for the unexpired term. If  
9 the Senate is not in session when the initial appointments  
10 are made, those appointments shall be made as in the case of  
11 vacancies.

12 The Education Funding Advisory Board shall be deemed  
13 established, and the initial members appointed by the  
14 Governor to serve as members of the Board shall take office,  
15 on the date that the Governor makes his or her appointment of  
16 the fifth initial member of the Board, whether those initial  
17 members are then serving pursuant to appointment and  
18 confirmation or pursuant to temporary appointments that are  
19 made by the Governor as in the case of vacancies.

20 The State Board of Education shall provide such staff  
21 assistance to the Education Funding Advisory Board as is  
22 reasonably required for the proper performance by the Board  
23 of its responsibilities.

24 For school years after the 2000-2001 school year, the  
25 Education Funding Advisory Board, in consultation with the  
26 State Board of Education, shall make recommendations as  
27 provided in this subsection (M) to the General Assembly for  
28 the foundation level under subdivision (B)(3) of this Section  
29 and for the supplemental general State aid grant level under  
30 subsection (H) of this Section for districts with high  
31 concentrations of children from poverty. The recommended  
32 foundation level shall be determined based on a methodology  
33 which incorporates the basic education expenditures of  
34 low-spending schools exhibiting high academic performance.

1 The Education Funding Advisory Board shall make such  
2 recommendations to the General Assembly on January 1 of odd  
3 numbered years, beginning January 1, 2001.

4 (N) (Blank).

5 (O) References.

6 (1) References in other laws to the various subdivisions  
7 of Section 18-8 as that Section existed before its repeal and  
8 replacement by this Section 18-8.05 shall be deemed to refer  
9 to the corresponding provisions of this Section 18-8.05, to  
10 the extent that those references remain applicable.

11 (2) References in other laws to State Chapter 1 funds  
12 shall be deemed to refer to the supplemental general State  
13 aid provided under subsection (H) of this Section.

14 (Source: P.A. 91-24, eff. 7-1-99; 91-93, eff. 7-9-99; 91-96,  
15 eff. 7-9-99; 91-111, eff. 7-14-99; 91-357, eff. 7-29-99;  
16 91-533, eff. 8-13-99; 92-7, eff. 6-29-01; 92-16, eff.  
17 6-28-01; 92-28, eff. 7-1-01; 92-29, eff. 7-1-01; 92-269, eff.  
18 8-7-01; 92-604, eff. 7-1-02; 92-636, eff. 7-11-02; 92-651,  
19 eff. 7-11-02; revised 7-26-02.)

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.